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Title: Need to take steps to curb cotton hoarding to control the escalating cotton price and make cotton available to textile mills at subsidized prices.

SHRIMATI V. SATHYABAMA (TIRUPPUR): Mr. Deputy Speaker, Sir, textile industry engages millions of workers and contributes substantially to the central exchequer. The price of cotton is a very important factor which has direct bearing on the smooth functioning and profitability of textile business. In the last two months the price of cotton has increased steeply mainly due to illegal hoarding of cotton bales by a few foreign companies.

The sharp increase in cotton price has affected the profitability of the entire textile industry and its value chain. Neither the Indian cotton farmers nor the mills have benefited from the uncontrolled rise in cotton prices which is roughly 25 per cent more than the international price. The Government has to take immediate steps to bring down the cotton prices.

There are around 2000 ginning factories in the country. There is an urgent need for centralized monitoring and recording of the total cotton bales produced, using a tamper-free smart meter fitted to the ginning machines. The Textile Commissioner should publish a periodical report weekly or monthly on the total stocks of bales available in the country. Also the Cotton Corporation of India should purchase and stock 30 per cent of the cotton produced in the country every year and sell them at cost price to textile mills. Otherwise there is no way the Government could stop illegal hoarding by companies which pile up cotton bales of huge quantity and create an artificial demand for cotton and thereby selling them at a high price.

I urge the Union Government to take all necessary steps to curb cotton hoarding to control the escalating cotton price and make cotton available to textile mills at subsidized prices. Thank you.